



JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

# State of Utah Department of Commerce

## Division of Securities

FRANCINE A. GIANI  
*Executive Director*

THAD LEVAR  
*Deputy Director*

WAYNE KLEIN  
*Director of Securities*

### NEWS RELEASE

May 17, 2007

#### **Utah County Man Accused of Selling Fake Stock Options**

***Bushman took money from investors to exercise non-existent stock options from Intel, Sun ...***

**SALT LAKE CITY, Utah** – Harold Earl Bushman, of Orem, was accused today of taking \$18,375 from three investors in 2006, saying the money would be used to exercise stock options from Sun Microsystems and Intel Corporation. Bushman claimed he had worked for these companies and would use the investor funds to buy the stock at a cheap price, using his stock options, and resell the stock at current high prices. The profits would be given to the investors.

The Utah Division of Securities issued an Emergency Order to Cease and Desist and an Order to Show Cause against Bushman, alleging that Bushman sold unregistered securities, sold securities without being licensed, and engaged in fraudulent practices with these investors.

According to the Division, Bushman approached two neighbors and fellow members of his congregation, saying he formerly worked for Sun and Intel and that he had stock options he could exercise at a low price and resell at a high price. Bushman said he would handle everything: exercising the options, selling the stock, then paying the profit to the investors. One couple gave Bushman \$5,500 for Intel options. Bushman also took an additional \$5,175 from the couple, saying the money would be used to purchase semi-conductors at a steep discount and resell them for a large profit.

In August, the couple became suspicious and demanded a refund of their investment. Bushman promised to pay all funds owed soon. It was during this time that Bushman solicited funds from the third investor. Bushman raised \$7,700 from a third investor, saying the money would be used to exercise stock options from Sun Microsystems. The third investor made three separate investments. In each instance, most of the money from the third investor was used to make payments to the couple that had demanded refunds. The first couple received a full refund.

The Emergency Order alleges that Bushman failed to tell the investors that he owed over \$120,000 in unpaid court judgments against him, that he had taken money from other investors and never repaid them, and that he never worked for Intel or Sun. The Order seeks to impose a cease and desist order against Bushman and the imposition of \$50,000 in fines. A hearing is set for July 5 to allow Bushman an opportunity to contest the Division's allegations.

Investors are urged to contact the Division to make sure anyone offering investments is licensed. 801.530.6600, or toll free at 1.800.721.7233. [www.securities.utah.gov](http://www.securities.utah.gov).